

PUBLIC HEARING

IN THE MATTER OF )  
PATRIOT RENEWABLE )  
FUELS, LLC. )

July 29, 2010

Annawan Elementary School

501 W. South Street

Annawan, Illinois

The hearing commenced at 7 PM.

BEFORE: Dean Studer, Hearing Officer

APPEARANCES: Minesh Patel, Gene Griffith

REPORTER: Donna M. Kelly, CSR  
Certified in Illinois & Iowa  
P. O. Box 6305  
RockIsland, Illinois 61204

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1                   MR. STUDER: It's a couple minutes  
2                   after seven, so we are going to go ahead and  
3                   get started.

4                   My name is Dean Studer, and I'm  
5                   the hearing officer for the Environmental  
6                   Protection Agency on behalf Director Doug  
7                   Scott.

8                   I welcome you to tonight's hearing.  
9                   Can you all hear me in the back? Okay.

10                  My purpose here tonight is to  
11                  ensure that these proceedings run properly and  
12                  according to the rules. I will start by  
13                  reading an opening statement into the record.

14                  This is an informational permit  
15                  hearing before the Illinois EPA in the matter  
16                  of a revision for an air pollution control  
17                  construction permit for Patriot Renewable  
18                  Fuels, LLC.

19                  I point out that the hearing notice in  
20                  this matter indicates that the close of the  
21                  comment period is August 28, 2010. However,  
22                  since August 28, 2010, falls on a weekend,  
23                  comments will be accepted as long as they are  
24                  postmarked by August 30th, 2010, which is the  
25                  first business day following August 28th.

1                   The Illinois EPA has made a  
2                   preliminary determination that the project  
3                   meets the requirements for obtaining a revised  
4                   permit and has prepared a draft revised permit  
5                   for review. Illinois EPA is holding this  
6                   hearing for the purpose of explaining the draft  
7                   permit revision, responding to questions, and  
8                   accepting comments from the public on the  
9                   proposed revision of this permit for this  
10                  project prior to actually making a final  
11                  decision on this permit revision.

12                  This public hearing is being  
13                  held under the provisions of Illinois EPA's  
14                  procedures for permits and closure plan  
15                  hearings, which can be found at 35 Illinois  
16                  Administrative Code, Part 166, Subpart A.  
17                  Copies of these procedures can be accessed on  
18                  the website for the Illinois Pollution Control  
19                  Board at [www.ipcb.state.il.us](http://www.ipcb.state.il.us) or, if you do not  
20                  have easy access to the worldwide web, they can  
21                  be obtained from me upon request.

22                  An informational public hearing  
23                  means just that. It is an opportunity for the  
24                  Illinois EPA to provide you with information  
25                  concerning the permit revision. It is also

1       an opportunity for you to provide information  
2       to the Illinois EPA concerning this same permit  
3       action. This is not a contested case hearing.

4               I would like to explain how tonight's  
5       hearing is going to proceed. First, Illinois  
6       EPA staff will introduce themselves, identify  
7       their responsibility within the agency, and  
8       then make a brief statement. Following this,  
9       a representative for Patriot Renewable Fuels  
10      will make a brief statement. Following this  
11      overview, I will allow the public to ask  
12      questions or to provide comments.

13             You are not required to provide your  
14      comments orally. Written comments are given  
15      the same consideration and may be submitted to  
16      the Illinois EPA at any time during the comment  
17      period which ends on August 30, 2010, at  
18      midnight. All comments submitted  
19      by mail must be postmarked no later than  
20      August 30th, 2010. Although we will continue  
21      to accept comments through that date, tonight  
22      is the only time that we will accept oral  
23      comments.

24             The Illinois EPA would like to take  
25      final action in this matter sometime this fall.

1       However, the actual decision date will depend  
2       upon the number of comments received, the  
3       substantive content of those comments, as well  
4       as a number of other factors.

5               Any person who wants to make an oral  
6       comment this evening may do so as long as the  
7       statements are relevant to the issues at hand  
8       and they have indicated on the registration  
9       card that they would like to comment. If you  
10      have not completed a registration card at this  
11      point, please see either Brad Frost or Seth  
12      Crackel, and you will be provided a  
13      registration card.

14             You may indicate on the registration  
15      card that you would like to make oral comments.  
16      All those registering tonight or submitting  
17      documents during the comment period will be  
18      notified of the final decision in this matter  
19      and will be told how they can access a copy of  
20      the summary of this hearing. If you have  
21      lengthy comments or questions, it would be  
22      helpful to submit them to me in writing before  
23      the end of the comment period, and I will  
24      ensure that they are included in the hearing  
25      record as exhibits.

1                   Please keep your comments and  
2                   questions relevant to the issue at hand. If  
3                   your comments fall outside the scope of this  
4                   hearing, I may ask you to proceed to another  
5                   issue. All speakers have the option of  
6                   directing questions to either the Illinois  
7                   EPA's panel or they may make general comments,  
8                   or they may do both.

9                   The permit applicant, Patriot  
10                  Renewable Fuels, LLC, is also free to answer  
11                  questions if willing to do so, but I am not in  
12                  a position to require them to answer questions.  
13                  Our panel will make every attempt to answer the  
14                  questions presented, but I will not allow the  
15                  speakers to argue or engage in a prolonged  
16                  dialogue with our panel or with other members  
17                  of the public.

18                  For the purpose of allowing everyone  
19                  to have a chance to speak who desires to do so,  
20                  I will initially limit the questions/responses  
21                  and comments to ten minutes. This should give  
22                  everyone who desires to speak that opportunity.  
23                  Once the opportunity to speak has been extended  
24                  to all who have indicated their desire to do so  
25                  on the registration card, I will ask if there

1 are others who have not spoken that would like  
2 to do so, provided the time allows. After  
3 everyone has had an opportunity to speak, and  
4 provided that time still allows, I will allow  
5 those who either ran out of time during the  
6 initial comments or who have additional  
7 comments to speak.

8 In addition, I would like to express  
9 that we want to avoid unnecessary repetition.  
10 If anyone before you has already presented  
11 testimony that is contained in your written or  
12 oral comments, please skip over those issues  
13 when you speak. Please remember, all written  
14 comments, whether or not you say them out loud,  
15 will become part of the official record in  
16 this matter and will be considered. Once a  
17 comment is made, it is contained in the record,  
18 and when others make the same point, it adds  
19 nothing additional to the record.

20 In the responsiveness summary for  
21 this proposed permit action, the Illinois EPA  
22 will attempt to respond to all relevant and  
23 significant issues that were raised at this  
24 hearing or submitted to me prior to the close  
25 of the comment period. The written record in



1       this matter will close on August 30th, 2010. I  
2       will accept written comments as long as they  
3       are postmarked by that date.

4               While the record is open, all relevant  
5       comments and documents or data will be placed  
6       into the hearing record as exhibits. Please  
7       send all written documents to my attention.  
8       You can send them to Dean Studer, and that's  
9       D-E-A-N, and Studer is S-T-U-D-E-R, Hearing  
10      Officer, Office of Community Relations,  
11      Re: Patriot Renewable Fuels, Illinois EPA,  
12      1021 North Grand Avenue East, PO Box 19276,  
13      Springfield, Illinois 62794-9276. This address  
14      is also listed on the public notice for the  
15      hearing tonight.

16              For anyone wishing to make a comment  
17      or ask questions I would like to remind you  
18      that we have a court reporter here who is  
19      taking a record of these proceedings for  
20      the purpose of us putting together our  
21      administrative record. Therefore, for the  
22      benefit of the court reporter, please keep  
23      the general background noise in the room to a  
24      minimum, so that she can hear everything that's  
25      said.

1                   Please keep in mind that any comments  
2                   from someone other than the person who is  
3                   upfront may not be recorded by the court  
4                   reporter. If you speak over someone else,  
5                   the court reporter will not be able to take  
6                   down everyone's comments. The same rule  
7                   applies to both the members of the audience  
8                   and also when someone from the Illinois EPA  
9                   or Patriot Renewable Fuels is speaking.

10                  When it is your turn to speak,  
11                  please come forward and state your name,  
12                  and if applicable, any governmental body,  
13                  any organization, or any association that  
14                  you represent. If you do not represent any  
15                  governmental body, organization, or  
16                  association, you may simply state that you  
17                  are a concerned citizen or a member of the  
18                  public. For the benefit of the court reporter,  
19                  I also ask that you spell your last name.

20                  Those who have requested to speak will  
21                  be called upon in the order based upon the  
22                  cards that I have before me. After I have gone  
23                  through the cards, and assuming that there is  
24                  time, if anyone else wishes to comment, I will  
25                  allow them to do so.

1                   Are there any questions on how we will  
2                   proceed with this hearing tonight?

3                   Let the record indicate that there was  
4                   "no" as a response.

5                   I have admitted the following exhibits  
6                   into the record: The notice of public hearing  
7                   is Exhibit 1. The draft revised permit is  
8                   Exhibit 2. The project summary is Exhibit 3.

9                   I now ask the Illinois EPA staff,  
10                  namely, Minesh Patel, to introduce himself,  
11                  and if he would like to make a short opening  
12                  statement, he may do so at this time. This  
13                  will be followed by Gene Griffith of Patriot  
14                  Renewable Fuels making a brief statement this  
15                  evening.

16                  MR. PATEL: Good evening, ladies and  
17                  gentlemen. My name is Minesh Patel, P-A-T-E-L.  
18                  I am a permit engineer with the Bureau of Air.  
19                  I will be giving you a summary of our review  
20                  for Patriot's current application.

21                  Patriot Renewable Fuels (Patriot)  
22                  was issued a construction permit for an  
23                  ethanol plant in October of 2006. The original  
24                  permit allowed production of 110 million  
25                  gallons of ethanol per year.

1                   Patriot has completed construction  
2                   of the plant and is now requesting an increase  
3                   in the permitted capacity of the plant to 130  
4                   million gallons per year. This would be  
5                   achieved through improved operating procedures  
6                   and improvements to existing equipment, not by  
7                   installing new equipment.

8                   This increase in production would  
9                   be accompanied by increases in amount of corn  
10                  processed, feed produced, ethanol shipped and  
11                  associated increases in permitted emissions of  
12                  certain units at the plant.

13                 First, emissions from some units need  
14                 not be increased as emissions from these units  
15                 were originally permitted at levels that  
16                 accommodate operation at the higher level  
17                 of throughput. For example, the fire pump  
18                 engine and miscellaneous units are already  
19                 permitted for level of emissions consistent  
20                 with operation at the requested level of  
21                 production.

22                 Second, the requested increase in  
23                 emissions from some units would address both  
24                 increases in permitted capacity and a change  
25                 in the manner in which emissions may be

1       determined, for example, oxidizer/boiler  
2       systems, ethanol loadout, biomethanator flare  
3       and fugitive dust emissions.

4               Third, emissions from certain other  
5       units would increase proportional to the  
6       increase in production. These units include  
7       the fermentation operations, feed cooler and  
8       storage tanks.

9               Finally, emissions from certain  
10      other units are permitted at a lower level  
11      than originally permitted. These units  
12      include grain receiving, handling and milling  
13      operations, component leaks and cooling tower.

14              As was required in the original  
15      permit, the revised permit would also  
16      require Patriot to use appropriate equipment  
17      for effective control of emissions from the  
18      various operations at the plant, including:  
19      Fabric filters to control particulate matter  
20      emissions from principal grain handling  
21      operations, milling of grain, and the handling  
22      and loadout of the dried feed; a scrubber to  
23      control organic material emissions from the  
24      fermentation units and combustion control,  
25      with natural gas fired oxidizer/boiler systems,

1       for emissions of organic material, carbon  
2       monoxide and particulate matter from the feed  
3       dryers. These oxidizer/boiler systems also  
4       control organic material emissions from  
5       certain units in the mash preparation area,  
6       distillation operation, and solid separation  
7       and evaporation units.

8               With this expansion, this plant  
9       will still not be considered a new major  
10      source under the federal rules for Prevention  
11      of Significant Deterioration of Air Quality  
12      (PSD) 40 CFR 52.21. In particular, ethanol  
13      plants are not in one of the 28 listed  
14      categories of sources for which the major  
15      source threshold is the potential to emit  
16      100 tons per year or month. This is a  
17      consequence of the changes to the PSD rules  
18      by USEPA, in which ethanol plants are  
19      reclassified as not being "chemical process  
20      plants."

21             With the requested increase in  
22      production capacity, the permitted emission  
23      of the plant would be more than 100 tons per  
24      year for several pollutants. However, due  
25      to the change in PSD rules as discussed, the

1        plant would still consider -- would still not  
2        be considered a major PSD source, because the  
3        potential emissions after the proposed changes,  
4        as limited by the permit, would be less than  
5        the application major source thresholds for PSD  
6        rules, which is now 250 tons per year.

7                It should be noted that Patriot has  
8        not requested to remove any control devices  
9        because of this change in the PSD rules.  
10       However, the requested increase in emissions  
11       due to increase in production is facilitated  
12       by this change in PSD rules.

13               With the higher production capacity  
14       and permitted emissions of more than 100 tons  
15       per year, the plant would be classified as a  
16       major source under Illinois' Clean Air Act  
17       Permit Program pursuant to Title V of the Clean  
18       Air Act. Accordingly, Patriot would be  
19       required to obtain a Title V permit for the  
20       operation of the plant, rather than a state  
21       operating permit.

22               In closing, the Illinois EPA has  
23       reviewed the materials submitted by Patriot  
24       and has determined that the application for  
25       increased production capacity complies with

1 applicable state and federal requirements. The  
2 conditions of proposed draft permit would  
3 contain limitations and requirements on the  
4 activities of the plant. The permit would  
5 also establish appropriate testing, monitoring,  
6 recordkeeping, and reporting requirements.

7 The Illinois EPA is proposing to grant  
8 a revised permit. We welcome any comments from  
9 the public on our proposed action. Thank you.

10 MR. STUDER: Thank you, Minesh. I  
11 said that we would have Gene Griffith from  
12 Patriot Renewable Fuels, who would like to  
13 make an opening statement this evening.  
14 Mr. Griffith.

15 MR. GRIFFITH: Thank you, Hearing  
16 Officer Studer and Minesh. We are pleased to  
17 be here.

18 My name is Gene Griffith,  
19 G-R-I-F-F-I-T-H. I'm the chairman, president,  
20 and CEO of Patriot Renewable Fuels, LLC.

21 This makes the third time since 2006  
22 that we have met here in Annawan to work with  
23 the EPA to conduct a hearing on air and water  
24 permits, which we are required to have to build  
25 our 100 million gallons per year ethanol plant.



1               Each time we have certified your good  
2               response, and our requests have been approved.  
3               Subsequent to your approvals, we have now been  
4               in operation for nearly two years.

5               As a proud and conscientious member of  
6               the community of Annawan, we are working hard  
7               to exceed the community's expectations for  
8               safety and for the environmental impact of our  
9               plant. We are pleased to report that we have  
10              been able to meet or positively exceed the  
11              terms of our permits as issued.

12             As an example, in January, while  
13             meeting the terms of our water discharge  
14             permit, Patriot requested and received approval  
15             to recycle our water and to begin a zero liquid  
16             discharge operation. Beginning in February,  
17             after the approval on February 7th, all of our  
18             water is now recycled. Not only do we not  
19             discharge, but we also are now using 15 to  
20             20 percent less raw water.

21             Next week we will participate in a  
22             seminar at the American Coalition of Ethanol's  
23             convention in Kansas City, along with our  
24             water adviser, U.S. Water, from Minneapolis,  
25             Minnesota, to discuss this important

1       breakthrough in water usage.

2               We believe we are on the cutting edge  
3       of water technology for ethanol plants, and we  
4       want to do what we can to encourage other  
5       plants to adopt such practices. We are proud  
6       of these accomplishments.

7               Earlier this year President Obama  
8       talked about the need to create additional  
9       exports from this country. Some of the  
10      goals that were included in that were to  
11      establish -- to help establish energy  
12      independence for economic development,  
13      national security, and balance of trade  
14      reasons.

15              Through the production of our ethanol  
16      and the affiliated distillers, dried  
17      distillers, grains, we believe we have  
18      contributed significantly to those objectives.

19              In summary, Patriot's production won't  
20      wean our nation from its dependence on foreign  
21      oil, but it sure makes a positive contribution.  
22      We can be energy independent in the counties --  
23      in the several counties here from which we  
24      obtain our locally-grown corn.

25              We think that we are doing as much

1 or more than others in this area, but we can  
2 do more. We have applied for and received  
3 approval for our request to raise production  
4 under the EPA issued permit to 115 million  
5 gallons, and that will allow us to fuel even  
6 more vehicles in the production that we make.

7 If our permit request is approved and  
8 when we reach 130 million gallons per year, we  
9 will be able to provide additional  
10 locally-grown, locally-owned fuel.

11 In 2009 Patriot contributed  
12 strongly to the economic growth by creating --  
13 2008/2009 by creating 50 new jobs in this  
14 area. We contributed strongly to our exports  
15 by exporting over \$35 million of dried  
16 distillers grain to Asian countries. I  
17 contributed to the energy independence goal  
18 by producing 107 million gallons of ethanol  
19 during the year of 2009.

20 We have contributed to the balance  
21 of payment objectives because the ethanol we  
22 produce here is locally owned, locally grown,  
23 and we don't have to send our dollars overseas  
24 to buy the equivalent fuel from other foreign  
25 sources.

1           To continue our growth, our industry  
2           needs continued support, not only on permits,  
3           but in other areas, as well. Some of the other  
4           specific issues that need to be resolved and  
5           that are under Illinois EPA's control in  
6           Washington include the E-15 waiver decision  
7           that has been delayed until September of  
8           2010 or later. Also involved is the RFS-2  
9           implementation for renewable fuels as amended  
10          or announced -- as amended in May of this year.

11          They need to be finalized and  
12          implemented, but while we are waiting for  
13          those things to happen, we are proud that in  
14          its first full year of operation, Patriot  
15          contributed so much to these critical national  
16          objectives and issues. It is our hope that  
17          you will be able to respond positively to our  
18          request for this increase in our permit to  
19          130 million gallons per year. This will allow  
20          us to continue to grow responsibly for the  
21          benefit of the State of Illinois, our nation,  
22          our local communities, our agricultural  
23          producers, and our employees, and for our  
24          investors.

25          Thank you for being here and for your

1           time and for your consideration of our request.

2                   MR. STUDER: Thank you, Mr. Griffith.

3                   Could I have a show of hands of  
4           those who would like to make comments or ask  
5           questions this evening.

6                   We don't have anybody, which explains  
7           why I have no cards in front of me.

8                   All right. This is the part where  
9           we do open up the floor for anyone that would  
10          like to do so. I know there has been a lot of  
11          technical things that we have covered in a real  
12          short period of time.

13                  Are there any questions or any  
14          comments this evening? This could go down  
15          as the shortest hearing that I've had in my  
16          history at the Illinois EPA, which we wouldn't  
17          complain, but I do want to make sure that  
18          there are no questions or anyone here that  
19          wants to make comments before I close this  
20          hearing.

21                  Going once, going twice. On behalf of  
22          Director Scott and agency staff here, we thank  
23          you for your attendance here. This will go  
24          down as the shortest hearing that we have had.

25                  I appreciate you being here this

1       evening. This hearing is adjourned, and I'd  
2       remind everyone that the comment period for  
3       this is open until August 30th, 2010. Thank  
4       you.

5                   (The hearing was concluded at  
6       7:26 p.m., 07-29-2010.)

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1       STATE OF ILLINOIS       )  
  ) ss.  
2       ROCK ISLAND COUNTY     )

3

4                   I, Donna M. Kelly, a Certified  
5       Shorthand Reporter in and for the States of  
6       Illinois and Iowa, do hereby certify that I  
7       reported in shorthand the proceedings had on  
8       the hearing in the above-entitled cause; that I  
9       thereafter caused the foregoing to be  
10      transcribed into typewriting, which I hereby  
11      certify to be a true and accurate transcript of  
12      the proceedings had before Hearing Officer Dean  
13      Studer.

14

15                   In witness whereof I have hereunto set  
16      my hand this 30th day of July, 2010.

17

18

19

20                                   Donna M. Kelly, CSR  
21                                   Illinois CSR #084-001304  
22                                   Iowa CSR #980  
23                                   P. O. Box 6305  
24                                   Rock Island, Illinois 61204  
25                                   (309) 788-3630